

CITY COMMISSION MEETING MINUTES
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
CITY COMMISSION CHAMBERS
405 W. 3RD St.
MONDAY, JULY 29, 2019

A. CALL TO ORDER

The meeting was called to order by Mayor Sandra Whitehead at 9:00 a.m., who presided and Renee Cantin, City Clerk-Treasurer, acted as Secretary of the meeting.

B. INTRODUCTION

1. ROLL CALL

Upon calling the roll, the following Commissioners were reported present.

Hon. Sandra Whitehead, Mayor
Hon. Kathy Clark, Mayor Pro-Tem
Hon. Rolf Hechler, Commissioner
Hon. Paul Baca, Commissioner
Hon. George Szigeti, Commissioner

Also Present: Morris Madrid, City Manager
Renee Cantin, City Clerk-Treasurer

There being a quorum present, the Commission proceeded with the business at hand.

C. NEW BUSINESS:

1. Discussion/Action: Resolution No. 10 19/20 approving the DFA 4th Quarter Report. Morris Madrid, City Manager and Carol Kirkpatrick, Finance Director:

City Manager Madrid explained that the 4th Quarter Report is required by DFA. The cash report shows the beginning balance of the quarter which is June 30th. DFA will summarize the reports and compare them to what we projected in last year's budget to make sure that we stayed in line with that. Our ending cash balances are healthy throughout the different funds which is good. DFA doesn't want to see any negative ending cash. If there is an excessive cash balance, they will ask why, and we will then explain that they were or will be put into investments.

City Manager Madrid then briefly reported on the following:

- Ending cash balance.
- Revenue Report for General Fund.
- Budget Report Summary for our Expenditures.
- Report of Transfers in and out from different funds.

Commissioner Hechler moved to approve Resolution No. 10 19/20 approving the DFA 4th Quarter Report. Commissioner Szigeti seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

2. Discussion/Action: Resolution No. 11 19/20 adopting the Final Budget for FY 2019-2020. Morris Madrid, City Manager and Carol Kirkpatrick, Finance Director:

City Manager Madrid requested Finance Director Kirkpatrick to give her comments before he gives an overview.

Finance Director Kirkpatrick gave recognition to Accounting Officer Kerin Salcedo and explained that this has been an interesting experience, but everything is going great so far. They will be moving forward and she is looking forward to getting a new chart of accounts implemented.

City Manager Madrid began with a little background from when he presented the preliminary budget and he reviewed the concept on what makes it different and why. He described the changes between last year's budget and this year's preliminary budget.

Cash Balances:

- We now have actual cash balances for June 30th. That is one of the biggest keys to DFA because they want to make sure that we ended our last Fiscal Year in a positive cash balance and we have the reserves to start the current year based on actual numbers.
- We have prior year revenues to use as a guide, and this gives DFA a guide to use as well.
- We also have some information we did not have for our preliminary budget including our final rates for employee benefits. We also had a change in our PERA contribution.
- Our new rates for Risk Management Policies are now incorporated into our new budget. Those rates include our General Liability; Automobile; and everything that is covered by our Self Insurers Fund.
- We have a lot of new rates for individual employee compensation. We are almost done implementing the new Compensation Plans for each individual employee. We are going to move away from cost of living increases and compensation will be based on increased capability, increased certifications, qualifications and experience.
- All evaluations have been completed for the employees except for some of the Department Heads. He is still working on their evaluations as well as the compensation adjustments for some of them.
- The budget will also reflect some of the organizational changes that they have made. They no longer have a Public Works Director and we are eliminating that position. We also eliminated individual Directors of Water and Wastewater. Jesse Cole is the new Director for both departments. We will also generate a position in

Community Development and we are now advertising for an Events and Tourism Coordinator.

Adjusted ending Cash Balance:

Any number positive to DFA is a good number because not only are we finishing the year with a positive balance, we are finishing the year with enough to start next year's budget, assuming we stay at the same level. Last year our ending cash estimate was around \$40,000 and we ended up with over \$1 million.

Sub-total of investments in the General Fund:

The subtotal in investments for the General Fund of the \$2,326,300 is up \$115,000 from the preliminary budget because we have some cash we believe we can invest for long term, and still have the liquidity that we need. The net cash transfers for the CDBG Fund #314 is a correction of cash fund balances that have been hanging at DFA for a few months. The CDBG Account has been closed for some time. They just haven't approved the way we handle the transfer. For CDBG you have to expend the cash and then you will get reimbursed. A highlight that is listed in the debt serve funds is we increased the investments there up to \$1.4 million which makes it up \$125,000 from the preliminary budget.

Change in Revenue Estimates:

Our actuals we collected in Municipal Taxes last year is \$2,059,985. Our budget is only based on revenues of \$1.868 million so that shows that we are very conservative. We are only estimating revenues at 91% when we could estimate them at 110%.

Transfers In:

There are transfers from the Electric Department due to a larger cash requirement from the General Fund because this is the year that will partially reimburse the Police Department Gross Receipts Tax fund for funds that were expended from there that should have been from the General Fund. The mentioned funds are for the Animal Shelter which is not a public safety issue, so we have to pay that fund back.

Recap Funds:

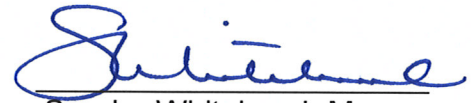
- Fund 309 - US Department of Agriculture Wastewater Treatment Plant. This is our major project and there was a spike of \$6 million dollars for that item. Those funds must be spent on that project only.
- They combined the Solid Waste Division to the Transfer Station. They used to be two separate funds. They can still track the expenses separately, but there was not a need to have two separate cash accounts and two separate budgets.
- Every piece of this budget is solid and in compliance with DFA, State Auditors, and the Municipal Government Act requirements.

Commissioner Szigeti moved to approve Resolution No. 11 19/20 adopting the Final Budget for FY 2019-2020. Commissioner Baca seconded the motion. Roll call was taken by the Clerk-Treasurer
Motion carried unanimously.

D. ADJOURNMENT

Mayor Whitehead adjourned the meeting moved to adjourn at 10:51 a.m.

Passed and Approved this 27th day of August, 2019.


Sandra Whitehead, Mayor

ATTEST:


Renee L. Cantin, CMC, City Clerk